

Case study 10

Chapter 26: Product

Chapter 27: Price

Chapter 28: Promotion and place (distribution)

Chapter 29: International marketing and e-commerce

Allez Snowboards Ltd (ASL)

Allez Snowboards Ltd makes snowboards for the amateur enthusiast that are sold under the Allez brand name. Up to the present time they have sold through snowsport wholesalers into the French retail market. Their reputation for high quality at a low price means that their sales have been rising steadily over the six years since they were established. Recent excellent reviews in a prominent snowboard magazine have prompted them to reconsider their marketing strategy with a view to expanding sales in the home market and perhaps extending sales into the international market. Alternatively, they could extend their product range into specialist areas such as snowboard cross, freestyle or pipe, and so increase their market share. It has been suggested that market research should be done to help Allez find out particular product features that could be improved prior to this expansion effort.

The snowboard market is an extremely competitive one. The market leader is well established, has a significantly dominant market share and has the advantage of considerable economies of sale. On the other hand, Allez outsource their boards to a manufacturer in Taiwan and so they have limited French overheads and are also able to benefit from a strong euro. They hence use a competitive pricing strategy to undercut the prices of most of the major competitors.

SL questions: 20 marks, 35 minutes

- 1 Describe what is meant by market share. (2)
- 2 Explain **two** methods of primary research that Allez could use to help them to identify the perceived strengths and weaknesses of their product. (4)
- 3 Explain how market segmentation could help Allez to achieve a greater market share of the snowboard market. (6)
- 4 Discuss how branding may be important for the marketing of Allez snowboards. (8)

HL questions: 25 marks, 45 minutes

- 1 Define the following terms:
 - a market research (2)
 - b market leader. (2)
- 2 Explain **two** problems that Allez could face if they continue to use competition pricing. (6)
- 3 Examine the possible primary and secondary research that companies like Allez could use to ensure that products are developed to fit market demands. (6)
- 4 Evaluate **two** possible ways that Allez could extend their market internationally. (9)